

ARIZONA STATE BOARD OF ACCOUNTANCY

OPEN SESSION MINUTES

July 9, 2007

Members of the Arizona State Board of Accountancy held a meeting at 8:20 a.m. on Monday, July 9, 2007 at the Accountancy Board Office in Suite 165, 100 N. 15th Avenue, Phoenix, Arizona. Executive Sessions were held from 8:37 a.m. to 9:16 a.m., from 11:25 a.m. to 11:29 a.m., from 11:58 a.m. to 12:10 p.m. and from 12:19 p.m. to 1:19 p.m.

BOARD MEMBERS:

Marianne E. DeVries, CPA	President
Patrick J. Ramirez	Treasurer
James E. May.....	Secretary
Donald R. Bays, CPA	Member
✕ Debbi Fitzgerald, CPA.....	Member
Samuel L. Fogleman, CPA	Member
Earl R. Shivers, CPA	Member

✕ Absent

OTHERS PRESENT:

Valerie M. Elliott	Executive Director
Jim Dubé	Deputy Director
Seth T. Hargraves, Esq.	Assistant Attorney General
Daniel L. Christl, Esq.	Assistant Attorney General
Yolanda M. Barajas	Administrative Assistant III
Elena N. Frausto.....	Administrative Assistant III

GUESTS PARTICIPATING:

Christine Cassetta, Esq	Assistant Attorney General, Solicitor General's Office
Adela Jimenez, CPA.....	ASCPA, Director of Finance and Administration
Charlotte Hargreaves	Arizona Society for Practicing Accountants

OPEN SESSION

July 9, 2007

Page 2

The meeting was called to order at 8:20 a.m. by Marianne E. DeVries, President. The following order of business was then considered:

OPEN SESSION

CALL TO THE PUBLIC

No one wished to address the Board.

MINUTES

June 11, 2007 Board Meeting

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve the Open Session Minutes from the June 11, 2007 Board meeting, as amended.

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve the Executive Session Minutes from the June 11, 2007 Board meeting.

DECLARATION OF CONFLICTS OF INTEREST

Donald R. Bays, CPA declared a conflict on File No. 2007.126

Samuel L. Fogleman, CPA declared conflict on Dina Marie Hackett of the consent agenda.

Marianne E. DeVries, CPA declared conflict on Michael Joseph DeVries of the consent agenda.

EXECUTIVE DIRECTOR'S REPORT

Valerie M. Elliott, Executive Director, gave an update to the Board on the budget, performance measurements and agency operations.

EXECUTIVE SESSION

A motion was made by Donald R. Bays, seconded by James E. May and passed to go into Executive Session at 8:37 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 9:16 a.m.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Recommended Decision of Administrative Law Judge

File Nos. 2006.089 & 2007.074; Brewer, Stephan

The Board members publicly acknowledged that they read the Administrative Law Judge's Decision and transcript of the hearing.

Christine Cassetta, Assistant Attorney General, from the Solicitor General's Office was present to provide legal advice to the Board. Daniel L. Christl, Assistant Attorney General was present to request that the Board accept the Administrative Law Judge's Findings of Fact, Conclusions of Law and recommended Decision. Mr. Brewer was not present at the Board meeting.

A motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to adopt the Administrative Law Judge's Findings of Fact, with the State's recommendations.

A motion was made by Samuel L. Fogleman, seconded by Earl R. Shivers and passed to adopt the Administrative Law Judge's Conclusions of Law.

A motion was made by Samuel L. Fogleman, seconded by Earl R. Shivers and passed to adopt the Administrative Law Judge's Recommended Decision, as amended to pay an administrative penalty and the Board's investigation costs within 60 days.

COMMITTEE RECOMMENDATIONS – COMPLAINT/INITIAL ANALYSIS FILES

File No. 2007.090

A motion was made by James E. May, seconded by Samuel L. Fogleman and passed to remand the file back to the Accounting and Auditing Standards Committee for further investigation.

File No. 2007.101

A motion was made by James E. May, seconded by Samuel L. Fogleman and passed to accept the Accounting and Auditing Standards Committee's recommendation to open an investigation file.

File No. 2007.109

A motion was made by James E. May, seconded by Samuel L. Fogleman and passed to accept the Tax Practice Committee's recommendation to close the complaint file, no violations of professional standards.

File No. 2007.111

A motion was made by James E. May, seconded by Samuel L. Fogleman and passed to accept the Tax Practice Committee's recommendation to close the complaint file, no violations of professional standards.

COMMITTEE RECOMMENDATIONS - PEER REVIEW

File No. 2007.119

A motion was made by James E. May, seconded by Samuel L. Fogleman and passed to accept the Peer Review Oversight Advisory Committee's recommendation to issue an Administrative Letter of Concern, as amended.

File No. 2007.120

A motion was made by James E. May, seconded by Samuel L. Fogleman and passed to accept the Peer Review Oversight Advisory Committee's recommendation to issue an Administrative Letter of Concern, as amended.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Termination of Decision & Orders (By Consent)

File Nos. 2001.040 and 2002.033; O'Brien, Joseph

A motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to terminate the Consent Order and close the files.

File No. 2006.007; McNeal, Syreeta

A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to terminate the Consent Order and close the file.

File No. 2007.004; White, Leslie

A motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to terminate the Consent Order and close the file.

File No. 2007.038; Pagel, Inga

A motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to terminate the Consent Order and close the file.

Issues from and regarding the National Association of State Boards of Accountancy (NASBA)

Ctrl-v Rescore Issue

Valerie M. Elliott, Executive Director, reviewed and discussed the exam issues with the Board.

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed not to communicate rescored grades if the candidates' status does not change.

Earl R. Shivers voted against the motion.

Report from NASBA Western Regional Meeting

Samuel L. Fogleman provided an update of the NASBA Western Regional Conference.

Exposure Draft regarding Mobility

Donald R. Bays provided an update of the mobility task force.

Issues from and regarding the American Institute of Certified Public Accountants (AICPA)

Peer Review Transparency Implementation Process

A motion was made by Earl R. Shivers, seconded by Patrick J. Ramirez and passed to send a letter to Susan S. Coffey, AICPA, Senior Vice President regarding the Peer Review Transparency Implementation Process.

Response / Non-response to Offered Decision and Order (By Consent)

File No. 2006.062; Kistler, Thomas

A motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to accept the signed Decision and Order (By Consent).

File No. 2007.013; Buttrum, L.Z.

A motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to accept the signed Decision and Order (By Consent).

File No. 2007.112; Hanson, David A.

A motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to accept the signed Decision and Order (By Consent).

Application for Certification by Examination, Deferral/Denial by Certification Committee - A.R.S. § 32-721

Anne Ball

Samuel L. Fogleman reviewed the file. A motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to deny the registrant's request for application for certification by examination because she is short five hours of accounting.

Jeffrey Allen Lee

Earl R. Shivers reviewed the file. A motion was made by James E. May, seconded by Donald R. Bays and passed to approve his application for certification by examination.

Earl R. Shivers voted against the motion.

Samuel L. Fogleman declared a conflict and did not vote.

Kevin Michael Monachelli

Donald R. Bays reviewed the file. A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to approve his application for certification by examination.

Response / Non-response to Offered Decision and Order (By Consent)

File No. 2006.067; Craven, Judy A.

A motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to accept the signed Decision and Order (By Consent) for relinquishment of her CPA certificate.

Request for a CPE Waiver and/or Fee Waiver – A.R.S. § 32-730(C) & (D)

Michael J. Kane 2791-E

A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to grant his request for CPE and Fee Waiver.

EXECUTIVE SESSION

A motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to go into Executive Session at 11:25 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 11:29 a.m.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Request for a CPE Extension

Mitchell D. Chronister 11525-R

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to offer a Decision and Order (By Consent) to include suspension until his CPE is cured and if not accepted within 30 days, file a Complaint and Notice of Hearing.

Donald R. Bays declared a conflict and did not vote.

Request for inactive status – ARS 32-730:

Christopher Anthony Dyrek 3458-E

Gary Neil Scrivner 4112-R

Theodore Paul Valmassei 13022-R

A motion was made by James E. May, seconded by Donald R. Bays and passed to grant their requests for inactive status.

Recommendation of Accounting and Auditing Standards Committee

Andy D. Coumides 5180-E

Stephen T. Harris 5299-E

A motion was made by Donald R. Bays, seconded by Earl R. Shivers and passed to accept the Accounting and Auditing Standards Committee's recommendation to approve the appointments of Andy D. Coumides and Stephen T. Harris to five year terms on the Accounting and Auditing Standards Committee.

Recommendation of Tax Practice Committee

Michael P. O'Malley 6874-R

A motion was made by Donald R. Bays, seconded by Earl R. Shivers and passed to accept the Tax Practice Committee's recommendation to approve the appointment of Michael P. O'Malley to a five year term on the Tax Practice Committee.

Recommendation of Certification Committee

Jeffrey Thomas Bray 2685-E

A motion was made by Donald R. Bays, seconded by Earl R. Shivers and passed to accept the Certification Committee's recommendation to approve the appointment of Jeffrey Thomas Bray to a five year term on the Certification Committee.

Firm Compliance – A.A.C. R4-1-454

Gail Dean Kolesar 4893-S

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to offer a Decision and Order (By Consent) to include up to one year probation until completion of a firm peer review and if not accepted within 30 days, to file a Complaint and Notice of Hearing.

Timothy H. Ligget 5359-S

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to offer a Decision and Order (By Consent) to include up to one year probation until completion of a firm peer review and if not accepted within 30 days, file a Complaint and Notice of Hearing.

Daniel A. Meijome 5871-S

A motion was made by Samuel L. Fogleman, seconded by Earl R. Shivers and passed to grant a waiver of peer review requirements based on A.A.C. R4-1-102(B).

Charles E. Milliner 4238-S

A motion was made by Samuel L. Fogleman, to offer a Decision and Order (By Consent) to include up to one year probation until completion of a firm peer review and if not accepted within 30 days, to file a Complaint and Notice of Hearing.

The motion was withdrawn for lack of a second.

A motion was made by Donald R. Bays, seconded by Earl R. Shivers and passed to grant a six months extension to comply with A.A.C. R4-1-454 and if he is still unable to meet the deadline, then he must report back to the Board.

Firm Compliance - A.A.C. R4-1-455.03(D)(2)

Westling & Eldridge PC 2369-C

The Board discussed going into Executive Session to seek legal advice.

A motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to go into Executive Session at 11:58 a.m. to seek legal advice pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 12:10 p.m.

Firm Compliance - A.A.C.R4-1-455.03(D)(2)

Westling & Eldridge PC 2369-C

A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to allow the firm to keep the current firm name based on the Board interpretation of particular facts and the specific circumstances of the file under A.A.C. R4-1-102(B).

Application for Reinstatement – A.R.S. § 32-748:

Michael A. Esparza 10627-E

Tari Ann Starr 6169-E

Lynda J. Taylor 4843-E

A motion was made by Donald R. Bays, seconded by James E. May and passed to grant their applications for reinstatement.

Consent Order Compliance – Request for Waiver of 30 day CPE Pre-Approval Requirement and Approval of CPE Courses

File No. 2004.047; Abbott, William G.

A motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to approve the waiver and CPE courses.

CONSENT AGENDA

(The Board may pull any of the following items off the consent agenda to take individual action.) Board discussion and legal action on the following items:

Due to conflicts, Ms. DeVries requested Michael J. Devires be pulled from the consent agenda and voted on separately.

Due to conflicts Mr. Fogleman requested Dina Marie Hackett be pulled from the consent agenda and voted on separately.

A motion was made by Donald R. Bays, and seconded by Patrick J. Ramirez and passed to accept the following consent agenda:

- a. Recommended for Registration of Professional Corporation for the following Applicants - (Meets the requirements of A.R.S. § 32-734):

Toel CPA PC

Neil Garnaas CPA PC

Partner: James P. Toel 12696-E

Partner: Neil Garnaas 9202-R

David A. Denomy PC

Partner: David A. Denomy 2785-E

- b. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants (Meet the requirements of A.R.S. § 32-735):

Cummings & Company PLC

Hofmann Kesselman PLC

Partners: Olin E. Cummings 1695-R

Partners: Robert C Hofmann 2300-R

Samuel L. Cummings 14370-E

Howard Kesselman 3212-R

- c. Recommended for Registration of Sole Practitioner for the following Applicants (Meet the requirements of A.R.S. § 32-731):

Brandon Flake Accounting

SageTree Consulting

Owner: Brandon Flake 13590-E

Owner: Lance Kintz 3756-E

Banks Tax & Accounting

Owner: Laura Banks 10375-E

- d. Recommended for Firm Name Change:

Abalos & Associates PLLC

Thomas S. Holly CPA PLLC

Abalos & Associates PC 327-C

Associated Financial & Tax Services 2637-L

Partners: Sandra A. Abalos 2977-E

Partner: Thomas S. Holly 4039-E

Barry Friefield 4233-R

Cheryl Folkerth 7384-E

Ludwig Klewer & Co PLLC

Butler, Jones & Hansen PC CPA's

Ludwig, Schacht & Klewer PLLC 1106-L Partners: Gregg Butler 3672-E

Partners: Christopher W Ludwig 5310-E Rondal Jones 3645-E

Julie S. Klewer 7292-E

Paul Hansen 12547-E

- e. Request for Firm Cancellation – Do not wish to renew:
Tax Strategies PLLC 2675-L
- f. Recommended for Cancellation of Certificate per registrant's request not to renew:
Tracey L. Martin 12452-E Scott Andrew McCaulou 5058-E
- g. Recommended for Reissuance of Certificate because of Name Change:
Jeanette Carolina (Apostol) 14094-E Wendy G. Schacht (Alexonis) 9222-E
Kimberly E. Miller (M. Pangalos) 13993-E Paul Joseph Gasser (Beckert) 13069-E
- h. Recommended for Reactivation of Certificate from Inactive Status - A.R.S. §32-730(E):
Duane Layton Standage 5073-E Lori Carol Mann 3720-E
- i. Recommendation of the Certification Committee for approval of Certification by
Examination - A.R.S. §32-721:

D. Celine Baker	Anna Westendorf
Ike D. Braden	James M. Burton (2nd Time)
Gina M. Doll	Lance E. Eskildson
Jorie Hoskins	Erin B. Itkoe
Philip L. Jacobs	Byron Michael Jeffers
Rhonda Woodruff Jones	Renee Kolodziej
Andrew E. Koslow	Christina G. LaFleur
Wendy L. Wrenn	Dan Liao
Kenneth S. McLemore	Jennifer Woys
Rachel Nichols	David H. Parry
Ryan Nicholas Patterson	Jessica Ann Pegram
Suzette L. Prante	Ira Rotenberg
Chad Thurston	
- j. Recommendation of the Certification Committee for approval of Certification by Reciprocity
based on Substantial Equivalency - A.R.S. § 32-726(B):

Jeff W. Andrew – Idaho	Tracey L. Armstrong – Texas
Tommy L. Barnhart – Tennessee	Norm Bittner – Virginia
Robert J. Brostrom – Montana	Joanne M. Elsen – Illinois
David W. Donell – Nevada	Troy S. Gilreath – Texas
Darrow Craig Garner – Texas	Mark T. Martens - North Dakota
Kimberly D. Kruel – Missouri	Lynn R. Nixon – Washington
Timothy J. McGill – Nebraska	Christopher E. Rivard – Washington
Paula Susan Port – Alaska	David Stende - North Dakota

Ariel E. Simon-Westreich
Shannyn D. Stern - California
Lori J. Zuidema – Michigan

Don Whitmire, Jr., Texas

k. Recommendation of the Certification Committee for approval of Certification by Grade Transfer -A.R.S. § 32-723:

Andrew Burch – Nevada
Lauri T. McAuliffe – Pennsylvania
Bryan W. Stewart – Colorado

Bradley V. Martorana – Maryland
Laurie Rennie – Nevada

l. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:

Elorm Y. Abadjivor
Andrew Justin Baker
Jia Jia Cao
Pablo Andres Cavazos
Lori C. Chapes
Jonathan R. Chevalier
Aaron Michael Coates
Katherine Margaret Craer
Dana Jay Cummings
Alison Eve Ethridge
Xu Fang
Katie Marie Giesen
Matthew Brian Hergenroether
Kayleen Lori Howard
Katie Lorena Jackson
Jessica R. Johnson
David Edward Kramer
Ying-Ying Lin
Steven Joseph Malina
Robin Carol Michaelis
Alexandra D. Nelson
Rex A. Pope
Scott Gregory Rane
Matthew Olin Reams
Nathan Daniel Reiss
Michael D. Richtsmeier
Cynthia Yasset Ruiz
Sharlene Santos
Taylor Ronald Searle
Eric E. Spires
Suzanne Clare Standring
Lisa Charlene Taetle
Mark Nathan Tew
Troy Kenneth Vigil

Madeline Estella Arriaga
Scott Richard Blaser
Isabelle Pastorfide Carnecer
Oussama Hassan Chamas
Ashley Ann Chard
Brytni Rose Clutter
Alyx Anne Cohan
Bret Albert Crosby
Joshua Philip Cupero
Rosa Fagerstrom
Ronda M. Gagne
Gregory Nathan Gunn
Thorsten Oliver Hain
Lori Kay Hertenstein
Joshua Thomas Jackson
Pinki Jain
Christian R. Korsnack
Sarah Marie Larsen
Michael D. McDonald
Monica Marie Mares
Joseph Dwight Mosier
Justine Earl Ortego
Marquez Quintero
Eric Alan Rant
Lance Patrick Reamy
Susan M. Reneau
Kelly Diane Robinson
Sunny Jaglivan Sanghani
Laura Theresa Schafer
Mark Alan Smith
John Paul Standring
Rosalba Dominguez Sutherlin
Wayne Alan Tanner
Janelle Sue Underhill

Rebecca Marie Weber
Sherry Marshall

Michael Robert Wallace
Hongtao Yin

- m. Recommendation of the Peer Review Oversight Advisory Committee for approval of the following firms in compliance with A.A.C. R4-1-454:

Amado & Associates CPA's PC 2473-C	Associated Financial & Tax Services 2637-L
BDO Seidman LLP 2683-B	Benjamin, John R. PC 2112-C
Bertram, Angela D. 5630-S	Chesler, Priscilla CPA PC 1188-C
Cohen, Rife & Jitzi 79-C	CPA on Call LLC 2631-L
Cronstrom Osuch & Co. PC 504-C	Cunningham, Loren CPA PLLC 2204-L
Dembowski, Lawrence S. CPA 4871-S	Galitski, Thomas CPA 4099-S
Lorenzo PLC 2207-L	Maxwell Accounting & Executive Services LLC 2607-L
Miller, Joseph R. PC 2676-C	Pagel, Inga A. CPA 4889-S
Parker, Preston CPA PC 977-C	Psarros, Gus James PC 2041-C
Sarvas King & Coleman PC 478-C	Semple Marchal & Cooper 933-B
Stewart, Brent PC 349-C	Swan, Carrie C. 4790-S
Wallace, Blaine C. CPA 4400-S	

CONSENT AGENDA

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve the following consent agenda item:

- 14-j Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency - A.R.S. § 32-726(B):

Michael Joseph DeVries – Texas

Marianne E. DeVries declared a conflict and did not vote.

A motion was made by Earl R. Shivers, seconded by Patrick J. Ramirez and passed to approve the following consent agenda item:

- 14-l Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:

Dina Marie Hackett

Samuel L. Fogleman declared a conflict and did not vote.

EXECUTIVE SESSION

A motion was made by Samuel L. Fogleman, seconded by Earl R. Shivers and passed to go into Executive Session at 12:19 p.m. to discuss personnel issues pursuant to A.R.S. § 38-431.03(A)(1).

After consideration in Executive Session, the Board reconvened in Open Session at 1:19 p.m.

PERSONNEL ISSUE

Executive Director Review

A motion was made by Patrick J. Ramirez, seconded by Samuel L. Fogleman and passed to increase the salary of the Executive Director as discussed in Executive Session and to have the Executive Director Performance Pay subcommittee met.

SUMMARY OF CURRENT EVENTS

The Annual Board Meeting will be at the Arizona Historical Society Museum in Tempe, AZ.

DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA

Marianne E. DeVries, CPA, President informed the Board to e-mail Annual Board Meeting information to Valerie M. Elliott, Executive Director by August 6, 2007.

ADJOURNMENT

A motion was made by James E. May, seconded by Samuel L. Fogleman and passed to adjourn at 1:22 p.m.

Marianne E. DeVries, CPA, President

Patrick J. Ramirez, Member, Treasurer

James E. May, Member, Secretary

Donald R. Bays, CPA, Member

Samuel L. Fogleman, CPA, Member

Earl R. Shivers, CPA, Member